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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2009 calendar year, or tax year beginning 09-01-2009 and ending 08-31-2010

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

THE CHILDREN'S MEMORIAL HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

Room/suite

2300 CHILDRENS PLAZA BOX 268

City or town, state or country, and ZIP + 4

CHICAGO, IL 606143394

D Employer identification number

36-2170833

E Telephone number

(312) 573-4578

G Gross receipts \$ 1,490,945,854

F Name and address of principal officer

Patrick M Magoon

2300 CHILDRENS PLAZA BOX 268

CHICAGO, IL 606143394

H(a) Is this a group return for affiliates?

☐ Yes

☒ No

H(b) Are all affiliates included?

☐ Yes

☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

I Tax-exempt status

☒ 501(c) (3)

☐ (insert no)

☐ 4947(a)(1) or

☐ 527

J Website:

WWW CHILDRENSMEMORIAL ORG

K Form of organization

☒ Corporation

☐ Trust

☐ Association

☐ Other

L Year of formation 1894

M State of legal domicile IL

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities THE HOSPITAL IS A PEDIATRIC ACADEMIC MEDICAL CENTER PROVIDING PATIENT CARE AND EDUCATION AND TRAINING FOR THE PHYSICIANS AND OTHER MEDICAL PROFESSIONALS IT IS ALSO A LEADER IN PEDIATRIC RESEARCH AND ADVOCACY	
	2	Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets	
	3	Number of voting members of the governing body (Part VI, line 1a)	3 105
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4 91
	5	Total number of employees (Part V, line 2a)	5 4,592
	6	Total number of volunteers (estimate if necessary)	6 1,381
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a 309,785
	b	Net unrelated business taxable income from Form 990-T, line 34	7b -40,173

Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	22,212,235	38,771,094
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	510,807,447	540,004,869
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	87,831	20,776,943
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	849,981	-206,542
			533,957,494	599,346,364
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	29,118,613	24,129,924
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	254,803,161	265,327,945
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="text" value="0"/>		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	255,224,837	256,919,352
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	539,146,611	546,377,221
	19	Revenue less expenses Subtract line 18 from line 12	-5,189,117	52,969,143
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	1,843,761,689	1,952,509,066
	21	Total liabilities (Part X, line 26)	820,064,982	846,750,270
	22	Net assets or fund balances Subtract line 21 from line 20	1,023,696,707	1,105,758,796

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Signature of officer

2011-07-13

Date

Paula M Noble CFO & Treasurer

Type or print name and title

Preparer's signature

Date

Check if self-employed ☐

Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4

EIN

Phone no

ERNST & YOUNG US LLP

155 NORTH WACKER DRIVE

CHICAGO, IL 60606

(312) 879-2000

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes

☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

















Form 990 (2009)

See Schedule O

Form **990** (2009)

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i> 	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II.</i> 	4	Yes
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III.</i>	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.</i> 	11	Yes
	◆ Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>		
	◆ Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		
	◆ Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		
	◆ Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		
	◆ Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	◆ Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12	No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No
	<i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.</i>  12A Yes		
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I.</i> 	14b	Yes
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? <i>If "Yes," complete Schedule F, Part II.</i> 	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? <i>If "Yes," complete Schedule F, Part III.</i> 	16	No
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i>	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20	Yes

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	311	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	4,592	
	b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?			3a	Yes
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O			3b	Yes
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	No
b If "Yes," enter the name of the foreign country: <input type="text"/> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .			5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			7a	Yes
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	Yes
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year			7d	
e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .			7f	No
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . .			7g	
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9 Sponsoring organizations maintaining donor advised funds.				
a Did the organization make any taxable distributions under section 4966?			9a	
b Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10 Section 501(c)(7) organizations. Enter				
a Initiation fees and capital contributions included on Part VIII, line 12			10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			10b	
11 Section 501(c)(12) organizations. Enter				
a Gross income from members or shareholders			11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)			11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year			12b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body . . .		
1b	Enter the number of voting members that are independent . . .		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . . .		No
6	Does the organization have members or stockholders?	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	Yes	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . .	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		No
10b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?		No
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶IL
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ PAULA M NOBLE 2300 CHILDRENS PLAZA BOX 268 CHICAGO, IL 60614 (312) 573-4578

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

☐ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

Form **990** (2009)

1b	Total	8,984,403	2,424,098	2,381,238
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶245

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
MORTENSON POWER 25 NW POINT BLVD Elk Grove Village, IL 60007	New Hospital Constr	138,950,702
McGaw Medical Center 303 E CHICAGO AVE Chicago, IL 60611	Professional Med Svc	14,574,950
ZIMMER GUNSUL FRASCA 1350 AVENUE OF THE AMERICAS SUITE New York, NY 10019	ARCHITECTS	7,809,610
M A MORTENSON COMPANY 25 NW POINT BLVD Elk Grove Village, IL 60007	CONSTRUCTION	4,236,855
ARAMARK CORPORATION 10510 TWIN LAKES PKWY Charlotte, NC 28269	FOOD SERVICES	4,207,354

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization▶264

Part VIII

Statement of Revenue

				(A)	(B)	(C)	(D)
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	7,747,247			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	31,023,847			
	g	Noncash contributions included in lines 1a-1f \$ 1,772,271					
	h	Total. Add lines 1a-1f		38,771,094			
Program Service Revenue			Business Code				
	2a	Patient Care & Program Services	621,110	330,180,795	330,180,795		
	b	Medicare/Medicaid	621,110	159,021,927	159,021,927		
	c	GRANTS- FED/STATE/AGENCY/SUBCONTRACT/PRIVATE	621,110	46,038,863	46,038,863		
	d	REFERENCE LAB REVENUE	621,500	1,210,056	1,167,684	42,372	
	e	PARKING GARAGES	812,930	1,059,277		476,228	583,049
	f	All other program service revenue		2,493,951	1,111,531		1,382,420
	g	Total. Add lines 2a-2f		540,004,869			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)					
				10,034,648		-209,374	10,244,022
	4	Income from investment of tax-exempt bond proceeds . .		1,489			1,489
	5	Royalties		0			
	6a	(i) Real					
		(ii) Personal					
		Gross Rents					
		Less rental expenses					
	b	Rental income or (loss)					
	c	Net rental income or (loss)		-206,542	349,483		-556,025
	7a	(i) Securities					
		(ii) Other					
		Gross amount from sales of assets other than inventory					
		Less cost or other basis and sales expenses					
	b	Gain or (loss)					
	c	Net gain or (loss)		10,740,806		559	10,740,247
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
		a					
		Less direct expenses b					
	c	Net income or (loss) from fundraising events . .		0			
9a	Gross income from gaming activities See Part IV, line 19						
	a						
	Less direct expenses b						
c	Net income or (loss) from gaming activities . .		0				
10a	Gross sales of inventory, less returns and allowances .						
	a						
	Less cost of goods sold . . . b						
c	Net income or (loss) from sales of inventory . .		0				
Miscellaneous Revenue		Business Code					
11a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		0				
12	Total revenue. See Instructions		599,346,364	537,870,283	309,785	22,395,202	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	24,129,924	24,129,924		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	10,330,957	1,744,506	8,586,451	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	208,132,446	184,036,227	24,096,219	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,673,347	8,125,612	1,547,735	
9	Other employee benefits	23,871,511	20,979,174	2,892,337	
10	Payroll taxes	13,319,684	11,470,400	1,849,284	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	245,327		245,327	
c	Accounting	642,499		642,499	
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	4,697,381		4,697,381	
g	Other	18,286,170	11,151,172	7,134,998	
12	Advertising and promotion	1,289,173	74	1,289,099	
13	Office expenses	103,972,407	103,626,349	346,058	
14	Information technology	14,877,149	12,830,939	2,046,210	
15	Royalties	0			
16	Occupancy	10,250,976	9,034,204	1,216,772	
17	Travel	1,013,613	677,799	335,814	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	1,727,955	1,712,482	15,473	
20	Interest	439,321	382,209	57,112	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	44,463,582	41,267,948	3,195,634	
23	Insurance	10,825,581	10,370,830	454,751	
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Medicaid provider tax	13,729,114	13,729,114		
b	Medical admin & teaching	13,703,165	13,703,165		
c	Bad debt provision	3,820,064	3,820,064		
d	EQUIPMENT REPAIR & MAINT	2,762,758	2,670,862	91,896	
e	Dues and licenses	2,642,238	400,866	2,241,372	
f	All other expenses	7,530,879	4,952,566	2,578,313	
25	Total functional expenses. Add lines 1 through 24f	546,377,221	480,816,486	65,560,735	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	
	2	Savings and temporary cash investments			320,874,462	2	356,922,225
	3	Pledges and grants receivable, net			140,541,760	3	109,425,109
	4	Accounts receivable, net			23,811,051	4	24,633,786
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			5,963,631	8	4,719,069
	9	Prepaid expenses and deferred charges			8,319,131	9	7,260,852
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	1,117,638,200			
	b	Less accumulated depreciation	10b	442,943,986	405,076,884	10c	674,694,214
	11	Investments—publicly traded securities			680,091,421	11	451,146,553
	12	Investments—other securities See Part IV, line 11			204,184,104	12	247,607,370
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			54,899,245	15	76,099,888
	16	Total assets. Add lines 1 through 15 (must equal line 34)			1,843,761,689	16	1,952,509,066
Liabilities	17	Accounts payable and accrued expenses			90,588,631	17	119,183,716
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			550,669,835	20	550,776,275
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties			15,079,468	24	15,079,468
	25	Other liabilities Complete Part X of Schedule D			163,727,048	25	161,710,811
	26	Total liabilities. Add lines 17 through 25			820,064,982	26	846,750,270
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			514,889,627	27	568,898,374
	28	Temporarily restricted net assets			349,926,999	28	375,900,235
	29	Permanently restricted net assets			158,880,081	29	160,960,187
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			1,023,696,707	33	1,105,758,796
	34	Total liabilities and net assets/fund balances			1,843,761,689	34	1,952,509,066

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .		No
b Were the organization's financial statements audited by an independent accountant?	Yes	
c If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .	Yes	

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
THE CHILDREN'S MEMORIAL HOSPITAL

Employer identification number
36-2170833

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						

12

Gross receipts from related activities, etc (See instructions)

12

13

First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

14	Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	79.830 %
15	Public Support Percentage for 2008 Schedule A, Part II, line 14	15	

16a

33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization

b

33 1/3% support test—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization

17a

10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b

10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

18

Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total. Add lines 1 through 5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
cAdd lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13Total support (Add lines 9, 10c, 11 and 12.)						
14First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

15Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	
16Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	
19a33 1/3% support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
b33 1/3% support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
20Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2009

Open to Public
Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered “Yes,” to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization THE CHILDREN'S MEMORIAL HOSPITAL	Employer identification number 36-2170833
--	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1

Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2

Political expenditures

▶ \$ 0
- 3

Volunteer hours

0

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1

Enter the amount of any excise tax incurred by the organization under section 4955

▶ \$ 0
- 2

Enter the amount of any excise tax incurred by organization managers under section 4955

▶ \$ 0
- 3

If the organization incurred a section 4955 tax, did it file Form 4720 for this year?

☐ Yes

☐ No
- 4a

Was a correction made?

☐ Yes

☐ No
- b

If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

- 1

Enter the amount directly expended by the filing organization for section 527 exempt function activities

▶ \$
- 2

Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities

▶ \$
- 3

Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b

▶ \$
- 4

Did the filing organization file **Form 1120-POL** for this year?

☐ Yes

☐ No
- 5

State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes	<input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?	Yes		
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?	Yes		897
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		496,718
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV	Yes		43,981
j Total lines 1c through 1i			541,596	
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
Lobbying Activity	Schedule C, Part II-B	To further their collective mission, The Children's Memorial Hospital (the "Hospital") and its affiliates, by virtue of their role in providing complex care and care for children, partner with and frequently interact with members of the government in developing policies applicable to children's health and well-being. In 1994, the Hospital established a Public Policy Committee of the Board of Directors to recommend institutional positions on legislation and regulation that would enable the Hospital and its affiliates to enhance the health and well-being of children. Over the years the Public Policy Committee has attempted to shape public policy on matters affecting children's health and well-being and to garner government funding to support the exempt activities of the Hospital and its affiliates and for the development and construction of a new hospital, replacing the Hospital's existing facility, to be named Ann & Robert H. Lurie Children's Hospital. This new facility will facilitate the Hospital's ability to continue to build upon its academic and research ties in a family-centered environment and state-of-the-art facility that will foster the provision of compassionate care. Examples of policy initiatives for which the Hospital has advocated include preventing transmission of HIV from mothers to newborn, prevention of childhood injury, prevention of child abuse, prevention of childhood obesity, and improving access to health insurance for children. Read more about our current institutional public positions at http://www.childrensmemorial.org/newsroom/government-community/policy-positions.aspx . In addition, when state and federal legislators or committees need experts to analyze and testify as to how a pending bill would affect children's health in Illinois, they often look to the Hospital and its affiliates. In recent years, employees, officers and physicians of the Hospital and its affiliates have testified before elected officials and government policymakers in Washington, DC, Springfield and Chicago on issues ranging from the benefits of children passenger safety and helmet laws to window-falls prevention, funding for graduate medical education and Medicaid reform. In addition, the Hospital engages in lobbying activities to seek appropriate Medicaid funding of the substantial services provided by the Hospital and its affiliates to Medicaid-eligible patients in Illinois. The Hospital also seeks funding, on a state and federal level, for various initiatives that will enhance patient care. On the federal level, the Hospital, in connection with other children's teaching hospitals, works to protect and enhance funding for the Medicaid program and graduate medical education for 58 freestanding children's teaching hospitals in the United States.

SCHEDULE D
(Form 990)

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
THE CHILDREN'S MEMORIAL HOSPITAL

Employer identification number
36-2170833

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	
	<div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	
	<div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
2a	
2b	
2c	
2d	

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4

Number of states where property subject to conservation easement is located ▶ _____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization’s financial statements that describes the organization’s accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i)

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

(ii)

Assets included in Form 990, Part X

▶ \$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2009

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance	345,631,973	376,042,568		
b	Contributions	3,257,533	323,812		
c	Investment earnings or losses	10,720,980	-18,808,632		
d	Grants or scholarships	1,635,773	11,500,978		
e	Other expenditures for facilities and programs	2,899,059	424,797		
f	Administrative expenses				
g	End of year balance	355,075,654	345,631,973		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 38.820 %

b

Permanent endowment ▶ 45.330 %

c

Term endowment ▶ 15.840 %

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

3a(i)

No

(ii) related organizations

3a(ii)

No

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		39,289,353		39,289,353
b Buildings		304,086,463	236,558,605	67,527,858
c Leasehold improvements		8,920,581	7,276,062	1,644,519
d Equipment		274,120,007	199,109,319	75,010,688
e Other		491,221,796	0	491,221,796
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				674,694,214

Schedule D (Form 990) 2009

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	

Part XIV Supplemental Information			
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Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
INTENDED USES OF ENDOWMENT FUNDS	Schedule D, Part V, Line 4	CMH's endowment fund consists of individual donor-restricted endowment funds and funds designated by its Board to function as endowments. The net assets associated with endowment funds, including those funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Effective June 30, 2009, Illinois passed Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). CMh has, after obtaining advice of outside counsel, interpreted UPMIFA as sustaining the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Cmh classifies as permanently restricted net assets, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by CMh in a manner consistent with the donor intent and standard of prudence prescribed by UPMIFA. Where the Board designates unrestricted funds to function as endowments they are classified as unrestricted net assets.

[illegible]

3 Enter total number of other organizations or entities ►

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Use Schedule F-1 (Form 990) if additional space is needed.

[illegible]

Complete this part to provide the information required in Part I, line 2, and any additional information.

Schedule F (Form 990) 2009

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990.**
▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
THE CHILDREN'S MEMORIAL HOSPITAL

Employer identification number
36-2170833

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care <div><input type="checkbox"/> 100%<input type="checkbox"/> 150%<input type="checkbox"/> 200%<input checked="" type="checkbox"/> Other <u>300 %</u></div> b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%<input type="checkbox"/> 250%<input type="checkbox"/> 300%<input type="checkbox"/> 350%<input checked="" type="checkbox"/> 400%<input type="checkbox"/> Other _____</div> c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care 4 Does the organization's policy provide free or discounted care to the "medically indigent"?	3a	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H				

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			1,322,669	0	1,322,669	0 240 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			208,554,933	180,940,941	27,613,992	5 090 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			209,877,602	180,940,941	28,936,661	5 330 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			9,190,635	0	9,190,635	1 690 %
f Health professions education (from Worksheet 5)			15,493,437	3,301,959	12,191,478	2 250 %
g Subsidized health services (from Worksheet 6)			818,192	0	818,192	0 150 %
h Research (from Worksheet 7)			58,287,042	10,216,048	48,070,994	8 860 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			8,705,562	0	8,705,562	1 610 %
j Total Other Benefits			92,494,868	13,518,007	78,976,861	14 560 %
k Total. Add lines 7d and 7j			302,372,470	194,458,948	107,913,522	19 890 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy					
8	Workforce development					
9	Other					
10	Total					

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	1,334,730
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI.	9b	Yes

Part IVManagement Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Part V

Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
THE CHILDREN'S MEMORIAL HOSPITAL 2300 CHILDRENS PLAZA BOX 268 CHICAGO,IL 606143394	X		X	X			X		
Outpatient Center in Lincoln Park 2515 N Clark Street/467 W Deming Chicago,IL 60614									Outpatient Medical Services
Outpatient Center in Arlington Heights 880 W Central Rd Suite 6400 Arlington Heights,IL 60005									Outpatient Medical Services
Outpatient Center in Glenview 2150 Pfingsten Rd Glenview,IL 60025									Outpatient Medical Services
Outpatient Center in New Lenox 1870 N Silver Cross Blvd Ste 100 New Lenox,IL 60451									Outpatient Medical Services
Outpatient Center in Westchester 2301 Enterprise Dr Westchester,IL 60154									Outpatient Medical & Ambulatory Surgical Services
Outpatient Center in Westbrook 11301 W Cermak Rd Westchester,IL 60154									OutPATIENT MEDICAL SERVICES
Clinic at Uplift Community School 900 W Wilson Avenue Chicago,IL 60640									Outpatient Medical Services
Children's Memorial Uptown Clinic 4867 N Broadway Avenue Chicago,IL 60640									Outpatient Medical Services
Outpatient Center in Lake Forest 900 N Westmoreland Suite 209 Lake Forest,IL 60045									Outpatient Medical Services
Outpatient Center at CDH 25 N WINFIELD ROAD Winfield,IL 60190									Outpatient Medical services

Part VI

Supplemental Information

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

See additional data

2 Needs assessment. Describe how the organization assesses the health care needs of the communities it serves

See additional data

3 Patient education of eligibility for assistance. Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

See additional data

4 Community information. Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

See additional data

5 Community building activities. Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

See additional data

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

See additional data

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

See additional data

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

IL

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
THE CHILDREN'S MEMORIAL HOSPITAL

Employer identification number
36-2170833

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
The Children's Memorial Research Center2300 Childrens Plaza Chicago,IL 60614	363357005	501(C)(3)	8,784,916				Net asset transfer
The Children's Memorial Medical Center2300 Childrens Plaza Chicago,IL 60614	363357004	501(c)(3)	569,674				Net Asset Transfer
Pediatric Faculty Foundation Inc2300 Childrens Plaza Chicago,IL 60614	363279680	501(c)(3)	7,083,921				NET ASSET TRANSFER
The Children's Memorial Medical Center2300 Childrens Plaza Chicago,IL 60614	363357004	501(c)(3)	1,521,641				NET ASSET TRANSFER
The Children's Memorial Research Center2300 Childrens Plaza Chicago,IL 60614	363357005	501(c)(3)	2,487,659				FUNDS RELEASED FROM RESTRICTION
Pediatric Faculty Foundation Inc2300 Childrens Plaza Chicago,IL 60614	363279680	501(c)(3)	3,219,807				Funds released from restriction
The Children's Memorial Medical Center2300 Childrens Plaza Chicago,IL 60614	363357004	501(c)(3)	462,306				Funds released from restriction
Children's Surgical Foundation2300 Childrens Plaza Chicago,IL 60614	363283051	501(c)(3)	1,142,776				

2

Enter total number of section 501(c)(3) and government organizations

3

3

Enter total number of other organizations

0

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

[illegible]

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

[illegible]

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
THE CHILDREN'S MEMORIAL HOSPITAL

Employer identification number
36-2170833

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div> <div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div> <div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

[illegible]

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Supplemental Compensation Information	Schedule J, part I, Question 1a	<p>The organization provides membership in a club and a professional organization used by Patrick Magoon, CMH/CMMC Chief Executive Officer, for business purposes. Such membership is treated by the organization as a working-condition fringe benefit and is, therefore, excluded from the individual's taxable income.</p> <p>The organization provides membership in a professional organization used by Edward Ogata, M.D., Chief Medical Officer, for business purposes. Such membership is treated by the organization as a working-condition fringe benefit and is, therefore, excluded from the individual's income.</p> <p>The organization provides membership in a club used by Thomas Sullivan, President of the Children's Memorial Foundation, for business purposes. Such membership is treated by the organization as a working-condition fringe benefit and is, therefore, excluded from the individual's income.</p> <p>Supplemental Compensation Information Schedule J, part I, Line 3 Pursuant to the bylaws of the Children's Memorial Medical Center ("CMMC"), the Governance Committee of CMMC is charged to review and approve senior executive compensation for CMMC and its affiliates. The Governance Committee has adopted a written executive compensation philosophy which it follows when it reviews and approves the compensation and benefits of the organization's senior management, including the President/Chief Executive Officer and the other senior managers. The compensation philosophy is subject to periodic review for continued appropriateness by the Governance Committee. With the assistance of a compensation consultant and information from a variety of sources (specified on Schedule J), the Governance Committee confirmed the total amounts to be paid were reasonable and comparable to amounts paid by similarly situated organizations. Outside legal counsel also serves an integral role in advising the Governance Committee with respect to federal tax requirements in setting compensation and the establishment of the rebuttable presumption of reasonableness. The process followed by the Governance Committee, including a description of the data relied upon and the Governance Committee's decisions, was thoroughly and contemporaneously documented. The Governance Committee has expressly reviewed the reasonableness of all such payments, and has concluded, as the result of a process that is designed to qualify for the rebuttable presumption of reasonableness under federal tax law, that all such amounts are reasonable and do not exceed fair market value for the services provided. The Governance Committee was comprised of members of The Children's Memorial Medical Center and The Children's Memorial Hospital Boards of Directors who were determined disinterested for these purposes. The Governance Committee conducts an ongoing and periodic review of the disinterested status of its members, and will take appropriate action with respect to anyone having an interest with respect to one or more executives so as to preserve the application of the rebuttable presumption of reasonableness.</p> <p>SUPPLEMENTAL COMPENSATION INFORMATION SCHEDULE J, PART I, QUESTION 4b The following listed individuals participated in the organization's supplemental executive retirement plan ("SERP") and earned unvested benefits during 2009, which are reported in Column (C): Gordon B. Bass \$156,865; James Donaldson \$98,732; Susan H. Gordon \$38,637; Stanley B. Krok \$67,946; Patrick Magoon \$322,280; Maureen Murphy \$25,031; Paula M. Noble \$129,159; Edward Ogata, M.D. \$379,048; Michelle M. Stephenson \$39,827; Donna Wetzler \$112,184; Elizabeth Perlman, MD \$54,141. Benefits earned under the SERP are nonvested forms of deferred compensation that fund the employee's eventual retirement benefit. These benefits are provided in exchange for all the employee's years of service to the organization, and the cost of the benefits will vary from year to year based on interest rates, age, and many other factors. The amounts are at risk and will not be paid unless and until the employee has provided substantial future services to the organization. Benefits under the SERP vest at age 62, and are forfeited if the employee leaves the organization voluntarily before age 62 (except upon the sole discretion of the Board, and only if the participant has reached at least age 55 with at least 10 years of service). Participants who voluntarily leave the organization before age 55 forfeit their entire SERP benefit upon termination. Also included in Schedule J, Part II, Column (C) is the estimated value of amounts contributed to a qualified pension plan and the section 403(b) matching contributions. Also in response to question 4b, the following listed individuals became vested in supplemental retirement benefits under the SERP, and therefore had SERP benefits included in their taxable income: Thomas Sullivan, \$898,309, and Barbara Bowman, \$380,988. In each case, the vested and taxable amount represents the value of benefits earned over many years of service to the organization, and which became vested and taxable in 2009. These benefits were subject to a substantial risk of forfeiture before 2009. Of the amounts reported on the 990, the amounts already reported on Forms 990 in prior years were \$669,098 for Mr. Sullivan and \$291,554 for Ms. Bowman, and these amounts are reported in Schedule J-1, column (F). The Governance Committee of the organization's Board of Directors annually reviews all forms of executive compensation and benefits, including all reported vested and nonvested SERP benefits, and has concluded, as the result of a process that is designed to qualify for the rebuttable presumption of reasonableness, that total compensation and the benefits provided are reasonable.</p> <p>Supplemental compensation information Schedule J, part I, question 7 The organization provides annual incentive compensation to senior management under a senior management incentive compensation plan. These amounts are included in Schedule J, part II, column B (ii). The plan is designed to offer opportunities for additional compensation tied to performance against pre-determined financial, patient satisfaction, patient safety and individual goals approved in advance by the Governance Committee of the Children's Memorial Hospital and the Children's Memorial Medical Center which serves as the Compensation Committee of The Children's Memorial Medical Center, and The Children's Memorial Hospital. Due to the CEO's unique role in setting and driving the long term strategic mission and operational performance of the entire organization, the Governance Committee of the Children's Memorial Hospital and The Children's Memorial Medical Center has established a long term incentive Program ("LTI") under which the CEO, Patrick Magoon, is the sole participant. Mr. Magoon is eligible to earn additional compensation for achievement of very challenging, long term goals that are established in advance by the Governance Committee. The LTI also serves as a retention vehicle since amounts earned are vested on a rolling basis over a multi-year period. During the reporting year and included in Schedule J, Part II, column B (ii), is \$139,334 of LTI paid to the CEO. Of this amount, \$137,833 was previously reported as deferred compensation. The governance committee has expressly reviewed the reasonableness of all such payments, and has concluded, as the result of a process that is designed to qualify for the rebuttable presumption of reasonableness under federal tax law, that all such amounts are reasonable and do not exceed fair market value for the services provided.</p>

Software ID:

Software Version:

EIN: 36-2170833

Name: THE CHILDREN'S MEMORIAL HOSPITAL

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
James Donaldson MD	(i)	0	0	0	0	0	0	0
	(ii)	428,936	82,425	2,007	127,265	20,636	661,269	0
Thomas P Green MD	(i)	0	0	0	0	0	0	0
	(ii)	464,151	151,314	792	24,500	28,371	669,128	0
Mary JC Hendrix PhD	(i)	0	0	0	0	0	0	0
	(ii)	455,680	92,110	516	24,500	18,309	591,115	0
Patrick M Magoon	(i)	651,796	410,470	86,012	355,321	14,987	1,518,586	137,833
	(ii)	0	0	0	0	0	0	0
H William Schnaper MD	(i)	0	0	0	0	0	0	0
	(ii)	250,086	37,650	516	24,500	22,725	335,477	0
Gordon B Bass	(i)	388,145	178,074	27,770	181,798	17,656	793,443	0
	(ii)	0	0	0	0	0	0	0
Barbara B Bowman	(i)	223,722	87,797	382,408	4,736	14,760	713,423	291,554
	(ii)	0	0	0	0	0	0	0
Susan H Gordon	(i)	201,858	66,691	10,408	58,817	21,530	359,305	0
	(ii)	0	0	0	0	0	0	0
Monica Heenan	(i)	189,242	61,653	393	16,357	13,319	280,964	0
	(ii)	0	0	0	0	0	0	0
Bruce Komiske	(i)	324,042	120,492	14,028	19,576	9,406	487,544	0
	(ii)	0	0	0	0	0	0	0
Stanley B Krok	(i)	249,580	82,238	24,329	91,243	18,446	465,836	0
	(ii)	0	0	0	0	0	0	0
Maureen T Mahoney	(i)	178,214	57,602	12,291	16,304	11,922	276,333	0
	(ii)	0	0	0	0	0	0	0
Maureen Murphy	(i)	254,283	82,380	13,152	48,648	9,459	407,922	0
	(ii)	0	0	0	0	0	0	0
Paula M Noble	(i)	342,210	166,349	14,078	154,718	14,506	691,860	0
	(ii)	0	0	0	0	0	0	0
Edward Ogata MD	(i)	416,709	170,225	41,497	405,198	24,688	1,058,317	0
	(ii)	0	0	0	0	0	0	0
Michelle M Stephenson	(i)	226,144	88,938	8,897	60,398	19,708	404,085	0
	(ii)	0	0	0	0	0	0	0
Donna S Wetzler	(i)	257,445	125,735	1,096	133,090	14,810	532,176	0
	(ii)	0	0	0	0	0	0	0
Sherwood D Zellermayer	(i)	184,275	59,994	1,090	18,247	13,141	276,747	0
	(ii)	0	0	0	0	0	0	0
Thomas Sullivan	(i)	337,621	112,869	942,194	26,253	24,588	1,443,525	669,098
	(ii)	0	0	0	0	0	0	0
Ron H Blaustein	(i)	185,644	38,125	187	14,014	21,025	258,995	0
	(ii)	0	0	0	0	0	0	0
Nancy M Borders	(i)	202,055	17,938	457	16,558	21,503	258,511	0
	(ii)	0	0	0	0	0	0	0
Morley I Kerschner	(i)	191,511	23,642	18,895	14,775	16,363	265,186	0
	(ii)	0	0	0	0	0	0	0
Robert D McKenna	(i)	179,280	22,889	8,683	12,173	16,364	239,389	0
	(ii)	0	0	0	0	0	0	0
Edward T Schubnell	(i)	177,325	26,018	15,319	21,524	9,963	250,148	0
	(ii)	0	0	0	0	0	0	0
Elizabeth Perlman MD	(i)	0	0	0	0	0	0	0
	(ii)	367,830	55,458	34,627	77,245	15,293	550,453	0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
THE CHILDREN'S MEMORIAL HOSPITAL

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Employer identification number
36-2170833

Part I

Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
						Yes	No	Yes	No
A ILLNOIS FINANCE AUTHORITY	86-1091967	45200FGC7	05-15-2008	377,043,130	SEE SCHEDULE O		X		X
B ILLINOIS FINANCE AUTHORITY	86-1091967	45200FGR4	05-15-2008	173,490,000	SEE SCHEDULE O		X		X

Part II

Proceeds

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue			383,696,314		173,514,604					
2 Gross proceeds in reserve funds			14,552,252		0					
3 Proceeds in refunding or defeasance escrows			0		0					
4 Other unspent proceeds			3,350,315		0					
5 Issuance costs from proceeds			9,424,756		641,965					
6 Working capital expenditures from proceeds			0		0					
7 Capital expenditures from proceeds			356,367,396		0					
8 Year of substantial completion			2006		2006					
9 Were the bonds issued as part of a current refunding issue?		X	X							
10 Were the bonds issued as part of an advance refunding issue?		X		X						
11 Has the final allocation of proceeds been made?		X	X							
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X							

Part III

Private Business Use

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X						
2 Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X						

Part III

Private Business Use (Continued)

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?	X		X							
3b	Are there any research agreements with respect to the financed property which may result in private business use?	X		X							
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %									
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %									
6	Total of lines 4 and 5	0 %									
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X							

Part IV

Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X						
2	Is the bond issue a variable rate issue?		X	X							
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X		X						
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?		X		X						
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?		X		X						
6	Did the bond issue qualify for an exception to rebate?		X	X							

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

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Name of the organization
THE CHILDREN'S MEMORIAL HOSPITAL

Employer identification number
36-2170833

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$										

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Schedule O					

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

OMB No 1545-0047

2009

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Name of the organization
THE CHILDREN'S MEMORIAL HOSPITAL

Employer identification number
36-2170833

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	39	1,772,271	MARKET
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► ()				
26 Other ► ()				
27 Other ► ()				
28 Other ► ()				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement			29	
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?				Yes No
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?				Yes
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?				Yes
b If "Yes," describe in Part II				
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II				

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Third parties hired to process noncash contributions	Schedule M, Part I, line 32b	All securities (non-cash donations) are sent directly to Northern Trust Northern Trust as Custodian and broker sells the securities immediately For donor recognition purposes, gifts are valued at the median prices on the day the securities are received For accounting purposes, values are reconciled for any gain/loss on the sale of securities

SCHEDULE O

(Form 990)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

THE CHILDREN'S MEMORIAL HOSPITAL

Employer identification number

36-2170833

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990, PART III, LINE 1	WE ARE DEDICATED TO THE HEALTH AND WELL-BEING OF ALL CHILDREN AS THE PEDIATRIC TEACHING FACILITY FOR NORTHWESTERN UNIVERSITY'S FEINBERG SCHOOL OF MEDICINE, THIS COMMITMENT DRIVES US TO BE A LEADER IN - PEDIATRIC HEALTH CARE DELIVERY - RESEARCH INTO THE PREVENTION, CAUSES AND TREATMENT OF DISEASES THAT AFFECT CHILDREN - EDUCATION FOR PHYSICIANS, NURSES AND ALLIED HEALTH PROFESSIONALS - ADVOCACY FOR CHILDREN AS A CHARITABLE ORGANIZATION, WE SERVE CHILDREN AND THEIR FAMILIES TO THE BEST OF OUR ABILITIES AND TO THE LIMITS OF OUR RESOURCES

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4	<p>The Children's Memorial Hospital ("Hospital") in Chicago, Illinois owns and operates the only full-service, independent, freestanding pediatric hospital in Illinois. This not-for-profit, tertiary care hospital, founded in 1882, provides patient care 24 hours per day, 7 days per week. The Hospital has 270 licensed beds and provides a full range of inpatient and outpatient care and related ancillary services. The Hospital provides more care than any other hospital provider in Illinois in nearly every pediatric medical and surgical specialty. As a major academic tertiary care medical center, the Hospital has served patients from every county in Illinois, as well as patients from every state and 36 countries. The Hospital is a designated Level I pediatric trauma center for the City of Chicago, with a Level III neonatal nursery that serves as a regional referral center in the State of Illinois Perinatal Network. The Hospital's ability to treat the most critically ill infants in its neonatal intensive care unit ("NICU") is demonstrated by statistics for calendar year 2010 which show that 55.4% of all transports into its NICU were from other Level III nurseries in metropolitan Chicago and the Hospital treated three times more NICU babies with complex problems than the next leading hospital in metropolitan Chicago. The Hospital has also been ranked among the best in the nation in a U.S. News & World Report opinion-based survey of top pediatric hospitals for the past three years. The Hospital is the home to the world's first pediatric center for Autonomic Medicine and was the first pediatric hospital in Illinois to perform the Berlin Heart procedure, a breakthrough technology that helps children awaiting heart transplants. In the fiscal year ending August 31, 2010, the Hospital, through nearly 531,000 patient visits, served more than 146,000 children who came from all over the State of Illinois and beyond to access the more than 70 specialties offered by the Hospital. During this period there were 12,835 inpatient admissions. In addition, there were over 524,950 outpatient visits, including 293,263 outpatient visits at the Lincoln Park campus, 150,581 outpatient visits at satellite facilities, 97,359 emergency room visits and 5,496 observation visits in Lincoln Park and our satellite facilities. There were also 20,342 surgical procedures performed in our Lincoln Park and satellite facilities. The Hospital is the largest provider of Medicaid services to Illinois children. In total, during the State of Illinois' fiscal year 2010, the Hospital provided approximately 50% more outpatient and inpatient Medicaid services than the next highest Illinois hospital. The Hospital's pediatric-specialist physicians provide more specialty care to children insured by the State of Illinois' All Kids (Medicaid) program than any other specialty care provider. The Hospital maintains a charity care policy under which it provides healthcare services free of charge or at a greatly reduced rate to children whose families are unable to pay for the charges associated with their medical care. For the fiscal year ended August 31, 2010, the total unreimbursed care and community benefit provided by the Hospital and its affiliates was approximately \$100 million, including \$60.1 million in costs associated with unreimbursed services provided by the Hospital and its affiliated physician groups to children on Medicaid and \$39.8 million for charity care and other community benefit including, but not limited to, resident and fellow expenses (\$14.9 million), research funding (\$8.5 million), operation of a community clinic support (\$2.8 million), child advocacy programs (\$786 thousand) and the provision of language assistance, pastoral care, social work, art and music therapies, hospital volunteer services, transplant family housing and other family support services (\$6.9 million). The Hospital undertakes a broad range of services and activities in addition to patient care that support its charitable mission. The Hospital functions as a teaching and research institution whose efforts have contributed considerably to improvements in the quality of life and healthcare for children. The Hospital supports community medical needs through a variety of outreach programs and educational programs. In December 2001, the Hospital became the first pediatric hospital in the nation and the first hospital in Illinois to receive the Magnet Award from the American Nurses Credentialing Center. The Hospital was awarded this designation again in November 2005. Only 6% of the nation's hospitals currently hold this distinction. The Hospital is one of the major pediatric teaching hospitals in the U.S., serving as the pediatric teaching facility and the primary pediatric practice site of Northwestern University's Feinberg School of Medicine ("NUFSM") for resident physicians, fellows and medical students in pediatric specialties and sub-specialties. This program is consistently</p>

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4	one of the most sought after in the country In fiscal year 2010, over 1,000 individuals a pplied for the 31 available positions Including the NUFSM pediatric residents and fellow s , the Hospital has 112 residents and 94 fellow s in various training programs The Hospital also offers clinical experiences in pediatrics to medical students, nursing students, and students in other allied health fields The Hospital is affiliated w ith 18 nursing educat ion programs In fiscal year 2010, there were 1,204 student placements, including 268 thir d and fourth year medical students, 587 nursing students, and 349 allied health students

Identifier	Return Reference	Explanation
		<p>The Hospital is undertaking the development, construction and equipping of a new , 288-licensed bed, acute care, pediatric hospital to replace its existing hospital facilities which will be named the "Ann & Robert H. Lurie Children's Hospital of Chicago ." This new facility, in close proximity to NUFSM, will facilitate the Hospital's ability to continue to build upon its academic and research ties in a family-centered environment and state-of-the-art pediatric care facility that will foster the provision of compassionate care. The Hospital's role as a regional referral center for a variety of pediatric diseases and illnesses has created many research opportunities to study and treat them and the Hospital's research arm, Children's Memorial Research Center, is one of the nation's few centers dedicated solely to pediatric research. See the tax information return of the Hospital's affiliate, Children's Memorial Research Center [36-3357005].</p> <p>Alone, or in conjunction with other community partners, the Hospital provides programs to support the health and well-being of children in our local community and beyond involving patient care and prevention, research, education and advocacy. Much of the Hospital's community work is in schools, particularly for children with special health and learning needs and the capacities of school personnel serving them. In the past 15 years, the Hospital has served more than 15,000 children and faculty of the Chicago Public Schools to enhance the health and safety programs and accommodations of chronically ill children. Programs address specific conditions such as epilepsy, ADHD, HIV infection, and impaired hearing. Other programs educate personnel about advanced medical technologies and aiding children transitioning from the hospital setting back to school. Other community health activities include a partnership by Hospital hematologists with the American Red Cross Blood Services to launch a cooperative sickle cell blood donor program to increase the number of blood donations by African Americans to help children with sickle cell disease who require frequent blood transfusions. The Hospital is a driving member of the Consortium to Lower Obesity in Chicago Children (CLOCC) to confront childhood obesity in Chicago. CLOCC is currently working with the City of Chicago to promote healthy eating and physical activity and is also piloting programs in Englewood, Humboldt Park, Lower West Side, Rogers Park, West Garfield Park, and West Town neighborhoods in Chicago. The Hospital operates an Injury Prevention and Research Center to educate and to improve public policy and foster protective environments, in addition to coordinating injury prevention initiatives at the Hospital. The Hospital also has developed programs to teach children sports injury prevention. The Hospital's Consortium for Children with Complex Medical Needs seeks to assist children with special health care needs to overcome barriers in obtaining care by assuring a medical home, building alliances to facilitate increased access to care and services, raising awareness, and helping those children to obtain the services needed to transition to adulthood. The Hospital offers a summer internship for Latino high school students to introduce them to promising career opportunities and a mentoring program for high school students that promotes participation in community service and literacy. The Hospital also educates in child maltreatment awareness and child abuse prevention, lead poisoning detection, and automobile safety programs and has developed fitness programs for special needs children.</p>

Identifier	Return Reference	Explanation
Family and business relationships	FORM 990, PART VI, QUESTION 2	<p>-Gregory Case has a business relationship with Andrew McKenna -WilliamJ Devers, Jr has a business relationship with Andrew McKenna -Adam Kriger has a business relationship with Andrew McKenna -Lester Crown and Paula Crown have a family and business relationship -Edward Ogata has a business relationship with Jack McGinley -William McKenna has a family and business relationship with Andrew McKenna -Lyle Logan has a business relationship with Charles H James III -Michelle Collins has a business relationship with Fred Krehbiel -John M Crocker, Jr had a business relationship with Bert A Getz, Jr -Eric Lefkofsky has a business relationship with Linda S Wolf -Edward J Wehmer, Charles H James III and Bert A Getz, Jr have a business relationship</p> <p>DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS FORM 990, PART VI, QUESTION 6 THE CHILDREN'S MEMORIAL MEDICAL CENTER ("CMMC") IS THE ORGANIZATION'S SOLE CORPORATE MEMBER</p> <p>DESCRIPTION OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS FORM 990, PART VI, QUESTION 7A THE ORGANIZATION'S SOLE CORPORATE MEMBER, THE CHILDREN'S MEMORIAL MEDICAL CENTER, HAS CERTAIN RESERVED POWERS, INCLUDING THE POWER TO APPOINT AND REMOVE ALL DIRECTORS OF THE ORGANIZATION</p> <p>DESCRIBE CLASSES OF PERSONS, DECISIONS REQUIRING APPROVAL & TYPE OF VOTING RIGHTS FORM 990, PART VI, QUESTION 7B THE CHILDREN'S MEMORIAL MEDICAL CENTER, THROUGH ITS BOARD OF DIRECTORS OR DESIGNATED COMMITTEE, AS THE SOLE CORPORATE MEMBER OF THE ORGANIZATION, HAS CERTAIN RESERVE POWERS WITH RESPECT TO APPOINTMENT AND REMOVAL OF DIRECTORS, APPOINTMENT OF CERTAIN OFFICERS, APPROVAL OF AMENDMENTS TO GOVERNING DOCUMENTS, APPROVAL OF FINANCIAL MATTERS, AND APPROVAL OF SIGNIFICANT TRANSACTIONS INCLUDING, BUT NOT LIMITED TO, MERGER, DISSOLUTION, DISPOSITION OF ASSETS OTHER THAN IN THE ORDINARY COURSE OF BUSINESS, AND CREATION OF SUBSIDIARIES</p> <p>DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW FORM 990 FORM 990, PART VI, QUESTION 11A A PUBLIC DISCLOSURE COPY OF THE ORGANIZATION'S FISCAL YEAR 2010 TAX RETURN ("FORM 990") WAS PROVIDED TO EACH MEMBER OF THE ORGANIZATION'S AUDIT COMMITTEE (OF THE BOARD) BEFORE A REGULARLY SCHEDULED AUDIT COMMITTEE MEETING AND BEFORE THE FORM 990 WAS FILED</p> <p>THE AUDIT COMMITTEE IS THE COMMITTEE OF THE ORGANIZATION CHARGED WITH OVERSIGHT OF AUDIT AND TAX MATTERS</p> <p>THE AUDIT COMMITTEE WAS PROVIDED A DETAILED OVERVIEW OF THE FORM 990 BY THE CHIEF FINANCIAL OFFICER ("CFO") AND THE ORGANIZATION'S DIRECTOR OF TAX COMPLIANCE</p> <p>THE CFO AND DIRECTOR OF TAX COMPLIANCE ALSO RESPONDED TO THE AUDIT COMMITTEE MEMBERS' QUESTIONS AND AFFORDED THE OPPORTUNITY FOR DETAILED DISCUSSION OF THE FORM 990, PRIOR TO THE AUDIT COMMITTEE TAKING ACTION TO APPROVE THE FILING OF THE FORM 990</p> <p>AS PART OF ITS TAX PREPARATION PROCESS, THE ORGANIZATION ON AN ONGOING BASIS CONSULTED ITS TAX CONSULTING FIRM AND OUTSIDE TAX LEGAL COUNSEL, BOTH OF WHICH POSSESS EXPERTISE IN HEALTH CARE AND TAX-EXEMPT RETURN PREPARATION, TO ADVISE AND ASSIST IN THE PREPARATION OF THE FORM 990</p> <p>THESE ADVISORS WORKED CLOSELY WITH THE ORGANIZATION'S FINANCE AND INTERNAL LEGAL PERSONNEL AND OTHER MEMBERS OF THE ORGANIZATION'S TEAM ASSEMBLED TO PARTICIPATE IN THE PREPARATION OF THE FORM 990</p> <p>PRIOR TO PRESENTING THE FORM 990 TO THE BOARD'S AUDIT COMMITTEE, THE ORGANIZATION'S TEAM, INCLUDING ITS ADVISORS, MET FREQUENTLY TO DISCUSS AND REVIEW DRAFTS OF THE FORM</p> <p>DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST FORM 990, PART VI, QUESTION 12C ON AN ANNUAL BASIS, THE CHILDREN'S MEMORIAL MEDICAL CENTER AND ITS AFFILIATES ("CMMC") PROVIDES A COMPREHENSIVE QUESTIONNAIRE TO ITS BOARD MEMBERS, SENIOR MANAGEMENT AND PURCHASING PERSONNEL POSING QUESTIONS ABOUT ACTUAL OR POTENTIAL CONFLICTS OF INTEREST</p> <p>CMMC INITIATES FOLLOW UP CONTACTS TO THOSE WHO DO NOT RESPOND AND TO CLARIFY RESPONSES, WHERE NECESSARY</p> <p>CMMC REVIEWS EACH DISCLOSURE AND PROVIDES A SUMMARY OF RELEVANT DISCLOSURES FOR THE REVIEW AND APPROVAL OF ITS GOVERNANCE COMMITTEE</p> <p>OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN FORM 990, PART VI, QUESTION 15A & 15B On an annual basis the organization's board of directors pursuant to its bylaws has delegated the authority to review and approve executive compensation to The governance committee of the board of directors ("governance Committee")</p> <p>The governance committee has adopted a written executive Compensation philosophy which it follows when it reviews and approves the Compensation and benefits of the organization's senior management, including the president/chief executive officer and the other senior Managers</p> <p>The compensation philosophy is subject to periodic review for continued appropriateness by the governance committee</p> <p>With the assistance of a compensation consultant and information from a Variety of external sources (specified on schedule j), the governance Committee confirmed the total amounts to be paid were reasonable and Comparable to amounts paid by similarly situated organizations</p>

Identifier	Return Reference	Explanation
Family and business relationships	FORM 990, PART VI, QUESTION 2	<p>Outside Legal counsel also serves an integral role in advising the Governance Committee with respect to federal tax requirements in setting Compensation and the establishment of the rebuttable presumption of reasonableness. The process followed by the governance committee, including a description of the data relied upon and the governance Committee's decisions, was thoroughly and contemporaneously documented. The governance committee has expressly reviewed the reasonableness of all such payments, and has concluded, as the result of a process that is designed to qualify for the rebuttable presumption of reasonableness under federal tax law, that all such amounts are reasonable and do not Exceed fair market value for the services provided. The governance committee was comprised of members of the children's Memorial medical center and the Children's Memorial Hospital Boards of Directors who were determined disinterested for these purposes. The Governance Committee conducts an ongoing and periodic review of the disinterested status of its members, and will take appropriate action with respect to anyone having an interest with respect to one or more executives so as to preserve the application of the rebuttable presumption of reasonableness. AVAILABLE OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC FORM 990, PART VI, QUESTION 19 THE ORGANIZATION'S FINANCIAL STATEMENTS ARE PUBLICLY AVAILABLE ONLINE AT WWW.DACBOND.COM THE ORGANIZATION'S ARTICLES OF INCORPORATION AND ANNUAL REPORTS ARE AVAILABLE THROUGH THE ILLINOIS SECRETARY OF STATE. THE ORGANIZATION ALSO MAKES ITS GENERAL GOVERNING DOCUMENTS AVAILABLE TO THE GENERAL PUBLIC UPON REQUEST.</p>

Identifier	Return Reference	Explanation
AVG HOURS WORKED FOR RELATED ORGANIZATIONS	FORM 990, PART VII, SECTION A, LINE 1A	<p>THE FOLLOWING INDIVIDUALS ARE EMPLOYEES OF THE CHILDREN'S MEMORIAL HOSPITAL (CMH) AND GENERALLY WORK 40 HOURS PER WEEK APPROXIMATELY 10 HOURS OF THEIR REGULAR WORK WEEK IS SPENT PROVIDING SERVICES TO CMH AFFILIATES PATRICK M MAGOON PAULA M NOBLE EDWARD OGATA, MD THOMAS SULLIVAN DONNA WETZLER SHERWOOD D ZELLERMAYER THE FOLLOWING INDIVIDUALS ARE EMPLOYEES OF THE CHILDREN'S MEMORIAL MEDICAL CENTER (CMMC) AND GENERALLY WORK 40 HOURS PER WEEK APPROXIMATELY 10 HOURS OF THEIR REGULAR WORK WEEK IS SPENT PROVIDING SERVICES TO RELATED AFFILIATES ELIZABETH PERLMAN, MD JAMES DONALDSON, MD CONSOLIDATED FINANCIAL STATEMENTS FORM 990, PART XI, QUESTION 2 AND PART IV, QUESTION 12 THE CHILDREN'S MEMORIAL MEDICAL CENTER, MAINTAINS AN AUDIT COMMITTEE THAT IS RESPONSIBLE FOR OVERSEEING THE AUDIT OF THE FINANCIAL STATEMENTS, THE SELECTION OF THE INDEPENDENT AUDITORS, AND THE PROCESS FOR PREPARING THE FORM 990 TAX-EXEMPT BONDS DESCRIPTION OF PURPOSE FORM 990 SCHEDULE K PART I BOND 1 ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES 2008 A/B, THE CHILDREN'S MEMORIAL HOSPITAL (BORROWER) THE PROCEEDS OF THE SALE OF THE SERIES 2008A/B BONDS WILL BE USED TO (I) PAY OR REIMBURSE THE BORROWER FOR THE PAYMENT OF A PORTION OF THE COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING THE ANN & ROBERT H LURIE CHILDREN'S HOSPITAL OF CHICAGO ("LURIE CHILDREN'S"), (II) PAY A PORTION OF THE INTEREST ON THE SERIES 2008A/B BONDS DURING THE PERIOD OF CONSTRUCTION OF LURIE CHILDREN'S, (III) FUND A DEBT SERVICE RESERVE FUND FOR THE SERIES 2008B BONDS, AND (IV) PAY CERTAIN EXPENSES INCURRED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2008A/B BONDS BOND 2 ILLINOIS FINANCE AUTHORITY VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2008 C/D, THE CHILDREN'S MEMORIAL HOSPITAL (BORROWER) THE BORROWER UTILIZED THE PROCEEDS OF THE SERIES 2008C/D BONDS TO (I) REFUND THE OUTSTANDING PRINCIPAL AMOUNT OF THE SERIES 1999 B-1 BONDS (ISSUED 9/1/99), 1999 B-2 BONDS (ISSUED 9/1/99), 2003A BONDS (ISSUED 11/18/03), 2003 B BONDS (ISSUED 11/18/03) AND 2004 BONDS (ISSUED 4/14/04) AND, (II) PAY CERTAIN EXPENSES INCURRED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2008C/D BONDS PART II, LINE 5/ISSUANCE COSTS OF \$708,103 INCLUDES \$52,764 OF CREDIT ENHANCEMENTS Issuance Cost From Proceeds Schedule K, Part II, Line 5 Reported on Schedule K Part II Line 5 Columns A and B are cumulative amounts of proceeds used to pay fees for credit enhancement that are taken into account in determining the yield on the bond issue for purposes of IRC Sec 148(h) Specifically, the total Column A, Line 5 issuance costs of \$9,424,756 includes \$6,305,197 for bond insurance In addition the total Column B Line 5 issuance cost of \$641,965 includes \$52,764 related to letter of credit fees Business Transactions with Interested Persons Schedule L, Part IV Name Greg Case Relationship Director Amount of Transaction \$244,500 Description of Transaction CMH purchases insurance brokerage services from the company of which Mr Case serves as the President/CEO Name Lester Crown Relationship Director Amount of Transaction \$1,613,997 Description of Transaction CMH purchases financial services from the bank of which Mr Crown's son serves as a director Name Paula Crown Relationship Director Amount of Transaction \$1,613,997 Description of Transaction CMH purchases financial services from the bank of which Ms Crown's spouse serves as a director Name Charles W Douglas Relationship Director Amount of Transaction \$614,391 Description of Transaction CMH purchases legal services from the law firm of which Mr Douglas is a partner and chairman of the management committee Name David W Fox Jr Relationship Director Amount of Transaction \$1,613,997 Description of Transaction CMH purchases financial services from the bank of which Mr Fox is the Vice Chairman Name Andrew J McKenna Relationship Director Amount of Transaction \$244,500 Description of Transaction CMH purchases insurance brokerage services from the company of which Mr McKenna serves as a Director Name Edward Ogata, MD Relationship Officer/Director Amount of Transaction \$45,874 Description of Transaction CMH employs the son-in-law of Dr Ogata Name Brian Williams Relationship Director Amount of Transaction \$261,561 Description of Transaction CMH purchases advertising services from the company for which Mr Williams serves as President and CEO</p>

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
THE CHILDREN'S MEMORIAL HOSPITAL

Employer identification number
36-2170833

Part I

Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II

Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
The Children's Memorial Research Center 2300 Childrens Plaza Chicago, IL 60614 36-3357005	RESEARCH	IL	501(c)(3)	4	CMMC
The Children's Memorial Foundation 2300 Childrens Plaza Chicago, IL 60614 36-3357006	FUNDRAISING	IL	501(c)(3)	7	CMMC
The Children's Memorial Medical Center 2300 Childrens Plaza Chicago, IL 60614 36-3357004	HEALTH CARE	IL	501(c)(3)	11 III-FI	NA
Pediatric Faculty Foundation Inc 2300 Childrens Plaza Chicago, IL 60614 36-3279680	HLTH CRE/RSCH	IL	501(c)(3)	11 III-FI	CMMC
CMH Self Insurance Foundation 2300 Childrens Plaza Chicago, IL 60614 36-6638400	INSURANCE	IL	501(c)(3)	11 III-FI	CMMC
McGaw Medical Ctr of Northwestern Univ 36-2656113	Supportng Org	IL	501(c)(3)	11 III-FI	NA

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
CMMC Insurance Co LTD 2300 Childrens Plaza CHICAGO, IL60614 000000000	SELF INSURANCE	CJ	NA	CORPORATION			

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

Yes

No

No

No

No

No

Yes

Yes

No

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1) See Additional Data Table		
(2)		
(3)		
(4)		
(5)		
(6)		

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Software ID:
Software Version:
EIN: 36-2170833
Name: THE CHILDREN'S MEMORIAL HOSPITAL

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
The Children's Memorial Research Center 2300 Childrens Plaza Chicago, IL60614 36-3357005	RESEARCH	IL	501(c)(3)	4	CMMC
The Children's Memorial Foundation 2300 Childrens Plaza Chicago, IL60614 36-3357006	FUNDRAISING	IL	501(c)(3)	7	CMMC
The Children's Memorial Medical Center 2300 Childrens Plaza Chicago, IL60614 36-3357004	HEALTH CARE	IL	501(c)(3)	11 III-FI	NA
Pediatric Faculty Foundation Inc 2300 Childrens Plaza Chicago, IL60614 36-3279680	HLTH CRE/RSCH	IL	501(c)(3)	11 III-FI	CMMC
CMH Self Insurance Foundation 2300 Childrens Plaza Chicago, IL60614 36-6638400	INSURANCE	IL	501(c)(3)	11 III-FI	CMMC
McGaw Medical Ctr of Northwestern Univ 36-2656113	Supportng Org	IL	501(c)(3)	11 III-FI	NA

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)
(1)	Pediatric Faculty Foundation	I	1,622,696
(1)	Children's Memorial Foundation	c	7,747,247
(2)	Children's Memorial Medical Center	b	2,553,621
(3)	The Children's Memorial Research Center	b	11,272,575
(4)	Pediatric Faculty Foundation Inc	b	10,303,728
(5)	CMH Self Insurance Foundation	o	13,448,000
(6)	Pediatric Faculty Foundation Inc	p	21,279,747
(7)	Children's Memorial Foundation	p	14,949,629
(8)	Children's Memorial Medical Center	p	5,993,671
(9)	The Children's Memorial Research Center	p	11,102,430
(10)	CMH Self Insurance Foundation	p	13,000,000

Additional Data

Software ID:
Software Version:
EIN: 36-2170833
Name: THE CHILDREN'S MEMORIAL HOSPITAL

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

N/A

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The Children's Memorial Hospital prepares an annual community benefit report. The report can be found at <http://www.childrensmemorial.org/newsroom/serving-our-communities.aspx>. The calculation for "Charity Care and Certain Other Community Benefits at Cost" reflects the Form 990 definitions and will not necessarily correspond to calculations prepared for similar State of Illinois reporting requirements and our Audited Financial Statement reporting, each of which may require the use of specified methodologies that may differ from Form 990.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Cost to Charge Ratio is calculated using the total expense reflected in our FY 2010 audited financial statements reduced by community benefits reflected on Schedule H, bad debt, provider tax, and non-patient related activity expenses found in the CMH cost report divided by gross patient charges

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Subsidized health services reported in Section I Line 7 g include details from two different community benefit programs of Children's Memorial Hospital ("CMH"), namely the Uptown Primary Care and Dentistry Clinics. Both clinics are Primary Care and Dentistry clinics. The operating costs attributable to Primary Care and Dentistry clinic are \$818,192. Both programs are operated despite financial losses to the organization. The clinics provide healthcare to a largely underserved community.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Our total expense from Form 990, Part IX, line 25, column (A) was \$546,377,221. The bad debt expense included in this amount was \$3,820,064. This left us with a total expense of \$542,557,157 for purposes of calculating line 7, column (f).

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

CMH considers self-pay as bad debt when a family is not eligible for financial assistance and is unwilling or unable to pay an outstanding account balance. The most common patient bad debt scenarios include unpaid self-pay portions of account balances after insurance or third party assistance payments or unpaid account balances after a bankruptcy filing. CMH is sensitive to the financial health of our patients and their families and recognizes that family financial concerns may not always be shared. As such, the Hospital is committed to managing collection efforts in a sensitive and respectful manner. In this regard, CMH sends a minimum of four letters/statements to the families before taking further action. For high balance accounts, the Hospital will attempt to contact the patient/family by telephone. Should the Hospital receive no reply after these numerous attempts, the self-pay balances are sent to a collection agency for further action. With few exceptions, CMH does not credit list its patients or take court action in its attempts to collect the outstanding balances, and CMH does not take these actions unless and until eligibility for financial assistance has been determined. The allowance for uncollectible accounts at the amount of charges written off is presented as a separate line item on the face of the financial statements. Bad debt expense on Part III Line 2 of Schedule H is calculated based on aging accounts receivable and applying historical bad debt percentages.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

N/A

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Collection policies are the same for all CMH patients. If at any point in the collection process, documentation is received that indicates the patient is potentially eligible for financial assistance but has not applied for it, the account is referred back for a financial assistance review. Through the use of numerous pamphlets, signage and website notices, patients are notified of CMH's financial assistance policy. On receipt of the information, we will determine eligibility for financial assistance and notify the patient as quickly as possible. The Hospital does not pursue collection of amounts from patients who are being reviewed for financial assistance eligibility or who are determined to qualify for charity care. In addition, all patients having difficulty paying their bills are directed to financial counselors. The financial counselors will work with our patients to qualify them for charity care or government program such as Medicaid. After a patient meets the qualifications for financial assistance, the account balance is either partially or entirely written off in accordance with our financial assistance policy. If there is any remaining balance, only that balance would be subject to our debt collection policy. If a patient has requested and/or filled out a financial aid application, all debt collection activities stop until eligibility for financial assistance can be determined. Our policy provides that once we have received the necessary documentation we will not refer any accounts for collection while we can determine whether the individual is eligible for financial assistance.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

N/A

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

Children's Memorial assesses the health care needs of the larger and diverse community it serves in a variety of ways. Community needs are identified by the CMH board of directors as well as several advisory boards which are comprised of individuals from the community served who are active members of the community and attuned to community needs. For example, Children's Memorial has a very active Family Advisory Board which the Hospital relies upon to assist in making decisions about programming and policies. Family Advisory Board members, comprised of parents of children who have had extensive inpatient and outpatient experiences at the Hospital, advise administration and medical leadership on patient needs and hospital priorities from the family perspective. Family Advisory Board Members contribute through participation in planning, operating and policy committees of Children's Memorial. Similarly, the Kids' Advisory Board is intended to give a voice to children who have been treated at the Hospital. The Kids' Advisory Board makes recommendations on issues related to patient care from the perspective of a child, teenager and sibling of a patient. The Hospital also has established a Community Advisory Board for patients/caregivers of HIV-infected children, HIV-infected health care workers and other interested people in the community. This advisory board seeks input and feedback regarding clinic operations and patient needs to improve services and research for all HIV-affected patients at Children's Memorial. The Community Advisory Board meets to discuss improvements for the program's services, help in implementing new pediatric, adolescent and perinatal research, review HIV education materials used in the community, and to assess the effectiveness of the Children's Memorial HIV/AIDS program. The Hospital also has established an adolescent community advisory board established to address similar issues, specific to teens with HIV/AIDS. Moreover, Children's Memorial has strong relationships with other not-for-profit organizations (such as health clinics and social service agencies) and community leaders who help identify existing community needs and ways to address such needs. Children's Memorial is also a leader in pediatric research aimed at advancements in the prevention, diagnosis and treatment of diseases that affect the development of children through adolescence as well as adult disorders that derive from them. Children's Memorial Research Center is one of a few institutions in the U.S. dedicated exclusively to pediatric research. This research aids in the identification of unmet needs faced by the community and, in particular, the children. Children's Memorial is privileged to serve. Children's Memorial assesses pediatric health needs in the community through its Child Health Data Lab, which provides current and accurate data on the health of children and adolescents throughout Illinois in a readily understandable format. By analyzing health status in particular areas over periods of time, the data lab assists policy-makers and public health planners to identify the health promotion and disease and injury prevention needs in local communities in Illinois. The data lab publishes reports including detailed analyses of child and adolescent injury, death and hospitalization in Illinois by county, and child injury and well-being by Chicago community area. The data lab provides statistical analysis and proposes solutions to address the leading causes of injury for different age groups. The data lab also houses the Illinois health survey which is the first broad-based survey of Illinois youth and adults, designed to provide county-level estimates of a broad range of health conditions for Illinois youth and adults and is intended to guide health policy in Illinois. Based upon all these varied assessments, Children's Memorial, in concert with others in the community, strives to address identified needs which it is positioned to assist with, particularly those related to the health and well-being of children, through education, research and patient care programs, in keeping with its primary mission as a tax-exempt entity. For specific examples of community building activities of Children's Memorial, please see Question 5 below.

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

Children's Memorial's financial assistance policy is communicated to the public and patients frequently and in many ways. New patients receive a written notice informing them about Children's Memorial's financial assistance policy and are requested to sign a statement at least annually confirming that they have received this policy. Signs are posted at all areas of registration, lobbies of our facilities, bathrooms, reception, clinical areas, waiting rooms, and the emergency department directing patients who have need of financial assistance to contact our financial counselors. Pamphlets, distributed through the hospital [and other facilities], titled "Billing/Financial Assistance and Understanding Your Bill" provide information about the bills that the patients can be expected to have received and direct patients who may need financial assistance to contact our financial counselors. In addition, a link is shown on our website entitled "About Financial Assistance." Clicking on this link will take someone to the hospital's application form and instructions. Availability of financial assistance is also noted on the front and back of the first page of the patient statement. Children's Memorial has financial counselors who are trained to assist and advise patients as to the availability of a variety of social services and resources, including state Medicaid, Allkids (another State insurance program available to children from families whose income exceeds the thresholds for Medicaid eligibility), and the Hospital's charitable assistance program. The Hospital's staff actively assists inpatients and outpatient surgery patients who are eligible for Medicaid in applying for and obtaining these benefits. In the ambulatory clinic setting, applications for AllKids, are provided to patients. Where individuals are not eligible for such programs and there is need for financial assistance, the Hospital's financial counselors assist patients and families in applying for charitable assistance available from the Hospital. A patient may qualify for financial assistance at any time, including after applicable insurance limits may have been exhausted.

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

Children's Memorial Hospital is unique in the community and the State of Illinois as it is the only freestanding pediatric hospital in the State and its tertiary services includes a Level I trauma center and Level III neonatal nursery which serves as a regional referral center for the State of Illinois' Perinatal Network. In addition, for more than 60 years, Children's Memorial has served as the pediatric training site for Northwestern University's Feinberg School of Medicine, training residents, medical students and fellows who will comprise the next generation of health care providers. While Children's Memorial Hospital serves patients from all over the State of Illinois and from every state and 36 countries, the primary community served by the Hospital is children from the Chicago metropolitan area, with the primary service area defined as being the City of Chicago and Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will Counties in Illinois. Over 50% of inpatients to the Hospital live within 10 miles of the Hospital and more than 66% of outpatients reside within 10 miles. 52.5% of the patients treated at the Hospital in fiscal year 2010 were Medicaid recipients. Children's Memorial is the largest provider of Medicaid services in the State of Illinois, with 24% more inpatient and 53% more outpatient Medicaid services than the next highest Illinois hospital. The poverty level in the primary service area, according to the most recent Census Bureau data is 11.8%. Patient demographics are diverse and include a large number of families whose primary language is not English, demonstrated by the fact that Children's Memorial expends over \$1 million in translation services annually.

Form 990 Schedule H, Part VI - Supplemental Information, Line 5
Form 990 Schedule H, Part VI - Supplemental Information, Line 5

Children's Memorial spends a substantial amount each year to build and promote the general health of the community it serves. These community-building activities are health-related, and the amounts expended are included in the community benefits reported in Part I, line 7e. Children's Memorial engages in a broad spectrum of activities in furtherance of its mission to provide health care, research, teaching and advocacy for the promotion of children's well-being. Children's Memorial is a leader in providing necessary health care services as well as education and advocacy about important issues affecting children. Children's Memorial is a leader in pediatric research, including clinical research aimed at promoting the health and well-being of children in the community and beyond. Children's Memorial partners with many community programs intended to provide access to health-related services, health education, injury prevention and advocacy for important initiatives to improve children's health. Children's Memorial also spends significant resources toward graduate medical education, providing specialized training in pediatric specialty medicine, including specialty areas where there are severe shortages of clinicians and few graduates each year. Following are examples of some of the community-building initiatives in which Children's Memorial participates. Children's Memorial operates a primary care clinic in Chicago's Uptown neighborhood, providing needed primary care services, including check-ups, back-to-school and sports physicals, immunizations, vision and hearing screening and sick-child care by pediatric staff residents, supervised by attending physicians. Children's Memorial also has established collaborations with community resources and agencies, including Chicago Public Schools for various programs to support HIV-affected children attending school, assisting children with cochlear implants in re-entering school, and supporting children with epilepsy who attend Chicago Public Schools and suburban schools. In addition, Children's Memorial collaborates with the Division of Specialized Care for Children as a means to meet identified needs in the patients it serves. Children's Memorial is a leading member of The Consortium to Lower Obesity in Chicago Children (CLOCC) which brings together hundreds of organizations to confront childhood obesity in Chicago, by facilitating connections between researchers, public health advocates and practitioners, corporations, policymakers, children, families and communities. The Injury Prevention and Research Center (IPRC) at Children's Memorial strives to educate the public about injury prevention, improve public policy and foster protective environments for children, while coordinating all injury prevention initiatives at Children's Memorial. Children's Memorial also strives to serve children who have special health care needs and approximately 13-18 percent of children under 18 have such needs. Such children and their families often encounter uncoordinated care and other significant barriers while seeking multiple health resources. The Consortium for Children with Complex Medical Needs (of which Children's Memorial is a member along with other medical professions, government agencies and community leaders) seeks to overcome these barriers by attempting to assure a medical home for all children with special health care needs, build alliances to facilitate increased access to care and services, raise awareness through advocacy and lobbying, and assure youth with special health care needs receive transitional services needed to facilitate a productive adult life. Children's Memorial provides education on car seat safety and provides car seats to patients who do not have the means to purchase a car seat for their child. Children's Memorial also educates and advocates for prevention of childhood injuries, including injury prevention in children (particularly unintentional injuries such as prevention of falls, playground safety and button batteries), as well as has been a leader in issues related to early HIV testing for newborns. The Office of Child Advocacy at Children's Memorial emphasizes prevention and health promotion and addresses the leading causes of hospitalization and death among children, which stem from behavioral, environmental and social factors. Children's Memorial is also a leader in advocating for the prevention of violence against children and, for the past several years, has led the effort to create the Illinois Violent Death Reporting system, to create a state-wide database correlating information on violent deaths, in an effort to determine emerging patterns and develop more effective violence prevention policies and programs. The Hospital devotes significant resources to family support services which include social work, pastoral care, parent education and other family amenities to address emotional, social and spiritual needs of hospitalized children.

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

nd their families

Form 990 Schedule H, Part VI - Supplemental Information, Line 6
Form 990 Schedule H, Part VI - Supplemental Information, Line 6

The Children's Memorial Hospital's mission is to provide pediatric health care, research, teaching and advocacy for issues related to children. Children's Memorial's governing board as well as the various advisory boards (Family Advisory Board, Kids' Advisory Board, Community Advisory Boards) are comprised of volunteers from the community who have knowledge of the community and a broad range of expertise. The Hospital provides more pediatric patient care than any other hospital in Illinois in nearly every pediatric and surgical specialty. Children's Memorial operates a 24 hour, 7 day per week pediatric emergency room, including a Level I trauma center and Level III neonatal nursery that serves as a regional referral center for the State of Illinois' Perinatal Network. The Hospital is the largest provider of Medicaid services to Illinois children, serving 50% more inpatients and outpatients than the next leading provider. The Hospital's pediatric physician specialists provide more services to children insured by the State of Illinois' AllKids insurance program (Medicaid) than any other provider. The Hospital's ability to treat the most critically ill infants is demonstrated by the fact that in calendar year 2010, 55.4% of all transports into its neonatal intensive care unit were from other Level III nurseries in the Chicago metropolitan area and the Hospital treated three times more NICU babies with medically complex problems than the next leading nursery in the metropolitan Chicago area. In fiscal year 2010, Children's Memorial served approximately 146,000 patients from the State of Illinois and elsewhere in more than 70 pediatric specialties offered by the Hospital. In keeping with its exempt purposes, surplus funds of the hospital are utilized to improve the quality of patient care, expand or improve its facilities, and advance medical training, education and research programs. Children's Memorial is currently in the process of constructing a new, modern, hospital facility located on the campus of Northwestern University's Feinberg School of Medicine, designed to continue to provide the highest quality medical care, better serve patients and families and enhance the ability to recruit high quality physician faculty to provide clinical services, conduct research and train residents and fellows. Among the key design features aimed at improving the care and privacy of our pediatric patients is private patient rooms. Further, the Kids' Advisory Board and Family Advisory Board were actively involved in making suggestions about the design of the new hospital from the perspective of patients and families and the new hospital will reflect many of their insightful recommendations. Children's Memorial also increases access to its services by operating numerous outpatient specialty clinics in various locations throughout the Chicago metropolitan area, convenient for patients and families to access the scarce, pediatric specialty and sub-specialty services that would not otherwise be immediately available. Children's Memorial also provides physician coverage through neonatologists, pediatric intensivists and pediatric hospitalists at nine other hospitals located in Chicago as well as the suburban areas. Currently, Children's Memorial provides these services to Northwestern Memorial Hospital's Prentice Women's Hospital, Central DuPage Hospital, Northwestern Lake Forest Hospital, Northwest Community Hospital, Sherman Hospital, Silver Cross Hospital, Swedish Covenant Hospital, West Suburban Medical Center, and La Rabida Children's Hospital, a specialty children's hospital in Chicago serving children with chronic medical conditions. Again, these specialized services would not otherwise be readily available. Children's Memorial is involved with numerous partnerships with community organizations and leaders to promote the health and well-being of the children it serves. Children's Memorial also serves as a leading member of the nationally recognized Consortium to Lower Obesity in Chicago Children ("CLOCC") which brings together hundreds of organizations and individuals to confront childhood obesity in Chicago. CLOCC is intended to foster and facilitate connections between researchers, public health advocates and practitioners, corporations, policymakers and children, families and communities. Children's Memorial also serves as a major academic tertiary care medical center and serves as the primary pediatric practice site for Northwestern University's Feinberg School of Medicine ("NUFSM") and provides the clinical training for NUFSM's resident physicians, fellows and medical students in pediatric specialties and sub-specialties. Each year, the Children's Memorial Department of Pediatrics trains approximately 200 physicians. Almost half are pediatric residents and the remainder are fellows in various pediatric sub-specialties including cardiology, hematology/oncology and neonatology. In addition, the Children's Memorial Depa

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

Department of Surgery provides formal resident education to NUFSM in each of its ten divisions and trains rotating residents from various other medical schools. Among the training opportunities for residents, supervised by attending physicians, is to provide primary care at the Uptown Clinic in Chicago, where primary care pediatric services are provided. These primary services would not otherwise be available to the patients treated at the site. In addition to training medical students, residents and fellows of McGaw and other institutions, CMH offers clinical experiences in pediatrics to nursing students and students in other allied health fields. Students in clinical placements must be candidates for a degree in their particular field of study. CMH is affiliated with 18 nursing training programs. In fiscal year 2010 there were 1,204 student placements at CMH including 268 third and fourth year medical students, 587 nursing students, and 349 allied health students studying in the fields of respiratory therapy, exercise physiology, rehabilitative services, social work, nutrition, radiology, pharmacy, child life, art therapy, and psychiatry-related studies. Students training to be operating room technicians and cardiac perfusion technicians also had clinical placements at CMH. The Hospital has an open medical staff, which is comprised of pediatricians and pediatric specialists whose practice is based at Children's Memorial Hospital as well as community-based pediatricians. As of December 31, 2009, there were 1,108 physicians on Children's Memorial Hospital medical staff. Of these physicians, 439 are employed by affiliates of the hospital.

Form 990 Schedule H, Part VI - Supplemental Information, Line 7

As described in detail in Question 6, Children's Memorial employs, through affiliated faculty practice plans entities, pediatric specialists and sub-specialists who provide patient care at locations in Chicago and the surrounding communities. In accordance with the mission of Children's Memorial, these physician groups provide more services to Medicaid patients than any other physician providers in Illinois. In connection with their extensive treatment of Medicaid patients, in fiscal year 2010 these physician affiliates were paid \$20.7 million less than the costs of providing the services. In addition, Children's Memorial, through its affiliate, Children's Memorial Research Center ("CMRC"), performs research aimed at advancements in the prevention, diagnosis and treatment of diseases that affect the development of children through adolescence as well as adult disorders that derive from them. CMRC, one of a few institutions in the U.S. dedicated exclusively to pediatric research, operates, in part, in a five-story, 125,000 square foot state-of-the-art laboratory and research administration facility as well as in the hospital and the campus of Northwestern University. CMRC research encompasses basic research studies as well as those with potential clinical applications. In fiscal year 2010, there were 206 physician-scientists engaged in research and more than 370 papers related to the research activities by Children's Memorial researchers were published in peer-reviewed journals. In addition, there were over 351 funded research projects which received over \$38.1 million in annual funding from external sponsors such as the National Institutes of Health. See the tax information return of CMRC, EIN #36-3357005 for additional information. The Children's Memorial Foundation ("CMF"), another affiliate of CMH, is responsible for fundraising for the hospital and its affiliated tax-exempt organizations. These philanthropic dollars support the programs in furtherance of the hospital's mission and benefit the community served, including the establishment and construction of the new hospital that is currently underway. Fundraising by CMF and CMH for fiscal year 2010 was \$53.8 million from more than 47,500 donors. See the tax information return of CMF, EIN #36-3357006 for additional information. In addition, in connection with its relationship with NUFSM, CMH is a member institution of The McGaw Medical Center of Northwestern University ("McGaw"). McGaw is an Illinois not-for-profit corporation, exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. McGaw is a charitable and educational consortium of four independent hospitals and NU. The goal of McGaw is to facilitate education and coordinate NUFSM medical residency and fellowship programs among the member institutions. CMH, Northwestern Memorial Hospital, NUFSM and the Rehabilitation Institute of Chicago. Through McGaw, its member institutions provide training to approximately 730 residents and 270 fellows during academic year July 1, 2009-June 30, 2010. CMH serves as the primary teaching site for approximately 112 pediatric residents and 94 pediatric subspecialty fellows. In addition, trainees from the adult programs of McGaw rotate to CMH for varying lengths of time to fulfill the pediatric component of their training program.

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Medicaid provider tax	13,729,114	13,729,114		
Medical admin & teaching	13,703,165	13,703,165		
Bad debt provision	3,820,064	3,820,064		
EQUIPMENT REPAIR & MAINT	2,762,758	2,670,862	91,896	
Dues and licenses	2,642,238	400,866	2,241,372	

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Patient Care & Program Services	621,110	330,180,795	330,180,795		
Medicare/Medicaid	621,110	159,021,927	159,021,927		
GRANTS- FED/STATE/AGENCY/SUBCONTRACT/PRIVATE	621,110	46,038,863	46,038,863		
REFERENCE LAB REVENUE	621,500	1,210,056	1,167,684	42,372	
PARKING GARAGES	812,930	1,059,277		476,228	583,049

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Robert D Mckenna Admin New Hospital Development	40 0					X		210,852	0	28,537
Edward T Schubnell Admin Med-Surgical Svcs	40 0					X		218,661	0	31,487

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Edward J Wehmer Director	1 0	X						0	0	0
Brian E Williams Director	1 0	X						0	0	0
Linda S Wolf Director	1 0	X						0	0	0
James Wooten Jr Director	1 0	X						0	0	0
Ms Jia Zhao Director	1 0	X						0	0	0
Edward Ogata MD Chief Medical Officer, CMH	40 0	X		X				628,431	0	429,886
Elizabeth Perlman MD ex-off dir/chair/path&lab med	1 0	X						0	457,915	92,538
Michelle Collins Director	1 0	X						0	0	0
Mr Gary Wolfson Director	1 0	X						0	0	0
Gordon B Bass Chief Operating Officer	40 0			X				593,989	0	199,454
Barbara B Bowman Chief HR Officer	40 0			X				693,927	0	19,496
Susan H Gordon Chief Public Policy Officer	40 0			X				278,958	0	80,348
Monica Heenan Chief Ambulatory Srv/Med Mgmt	40 0			X				251,288	0	29,676
Bruce Komiske Chief New Hosp Design/Const	40 0			X				458,562	0	28,981
Stanley B Krok Chief Information Officer	40 0			X				356,147	0	109,689
Maureen T Mahoney Chief Transition Occupancy	40 0			X				248,107	0	28,226
Maureen Murphy Chief Mktg & Mngd Care Officer	40 0			X				349,815	0	58,107
Paula M Noble CFO/Treasurer/CMMC& Affiliates	40 0			X				522,636	0	169,224
Michelle M Stephenson Chief Nurse Executive	40 0			X				323,979	0	80,106
Donna S Wetzler Gen Cnsl&Corp Sec/CMMC&Afflts	40 0			X				384,276	0	147,900
Sherwood D Zeller Mayer Chief Communications Officer	40 0			X				245,359	0	31,388
Thomas Sullivan President CMF	40 0				X			1,392,684	0	50,841
Ron H Blaustein Controller	40 0					X		223,956	0	35,040
Nancy M Borders Associate General Counsel	40 0					X		220,450	0	38,062
Morley I Kerschner Admin Revenue Cycle	40 0					X		234,048	0	31,138

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)							(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former				
Chaka Patterson Director	1 0	X						0	0	0	
Peer Pedersen Vice Chair & Director	1 0	X						0	0	0	
Lorna S Pfaelzer Director	1 0	X						0	0	0	
David C Pisor Director	1 0	X						0	0	0	
Ashish Prasad Director	1 0	X						0	0	0	
Gerald D Putnam Director	1 0	X						0	0	0	
Mohan Rao Phd Director	1 0	X						0	0	0	
Andrea Redmond Director	1 0	X						0	0	0	
Susan Regenstein Director	1 0	X						0	0	0	
Thomas R Reusche Director	1 0	X						0	0	0	
J Christopher Reyes CMMC/CMH Chair	7 0	X						0	0	0	
Marleta Reynolds MD Ex-Officio Director w/vote	1 0	X						0	0	0	
Peter C Roberts Director	1 0	X						0	0	0	
Hilary Sallerson Ex-Officio Director w/vote	1 0	X						0	0	0	
Manuel Sanchez Director	1 0	X						0	0	0	
Deborah M Sawyer Director	1 0	X						0	0	0	
Christopher Segal Director	1 0	X						0	0	0	
H William Schnaper MD Ex-Officio Director/ PFF MD	1 0	X						0	288,252	47,225	
Mrs Donald Shoemaker Director	1 0	X						0	0	0	
Stephen A Smith Director	1 0	X						0	0	0	
Thomas S Souleles Director	1 0	X						0	0	0	
Stephen T Steers Director	1 0	X						0	0	0	
Edward S Traisman MD Ex-Officio Director w/vote	1 0	X						0	0	0	
Monsignor Kenneth Velo Director	1 0	X						0	0	0	
Matthew Walsh Director	1 0	X						0	0	0	

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
W Bruce Johnson Director	10	X						0	0	0
Bennett A Kaye MD Ex-Officio Director w/vote	10	X						0	0	0
George D Kennedy Director	10	X						0	0	0
Anthony K Kesman Director	10	X						0	0	0
Richard P Kiphart Director	10	X						0	0	0
Fred L Krehbiel Director	10	X						0	0	0
Adam A Kriger Director	10	X						0	0	0
William Lamar Jr Director	10	X						0	0	0
Gerald R Lanz Director	10	X						0	0	0
Eric Lefkofsky Director	10	X						0	0	0
Lyle Logan Director	10	X						0	0	0
Shelley A Longmuir Director	10	X						0	0	0
Patrick M Magoon Ex-Officio Dir/CEO, CMH/CMMC	400	X		X				1,148,278	0	370,308
Mitchell J Manassa Director	10	X						0	0	0
John F Manley Vice Chair & Director	10	X						0	0	0
Roxanne Martino Director	10	X						0	0	0
Peter D McDonald Director	10	X						0	0	0
Jack L McGinley Director	10	X						0	0	0
Andrew J McKenna Director	10	X						0	0	0
William J McKenna Director	10	X						0	0	0
James J McNulty Director	10	X						0	0	0
Louise C Mills Director	10	X						0	0	0
Robert S Murley Vice Chair & Director	10	X						0	0	0
Leslie Newman Director	10	X						0	0	0
Nancy Pacher Director	10	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)							(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former				
Charles W Douglas Director	1 0	X						0	0	0	
Dennis J Drescher Director	1 0	X						0	0	0	
Michael Evangelides Director	1 0	X						0	0	0	
Tyrone C Fahner Director	1 0	X						0	0	0	
Diana S Ferguson Director	1 0	X						0	0	0	
Michael W Ferro Jr Director	1 0	X						0	0	0	
David Fox Jr Director	1 0	X						0	0	0	
John S Gates Jr Director	1 0	X						0	0	0	
Laurence S Geller Director	1 0	X						0	0	0	
Bert A Getz Jr Director	1 0	X						0	0	0	
Thomas P Green MD Ex-O fficio Dir/Pres&Chair PFF	1 0	X						0	616,257	52,871	
David D Grumhaus Director	1 0	X						0	0	0	
Arlington Guenther Director	1 0	X						0	0	0	
Joseph D Gutman Director	1 0	X						0	0	0	
Bruce R Hague Director	1 0	X						0	0	0	
Paul F Hanzlik Director	1 0	X						0	0	0	
Brett J Hart Director	1 0	X						0	0	0	
Mary JC Hendrix PhD Ex-O ff Dir W/Vote/Pres/Sci O ff	1 0	X						0	548,306	42,809	
Daniel J Hennessy Vice Chair & Director	1 0	X						0	0	0	
James Hickey Director	1 0	X						0	0	0	
Gary E Holdren Director	1 0	X						0	0	0	
Mark Hoppe Director	1 0	X						0	0	0	
Charles H James III Director	1 0	X						0	0	0	
J Larry Jameson MD Ex-officio Director w/vote	1 0	X						0	0	0	
Kirk B Johnson Director	1 0	X						0	0	0	

Additional Data

Software ID:

Software Version:

EIN: 36-2170833

Name: THE CHILDREN'S MEMORIAL HOSPITAL

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
John J Allen Director	10	X						0	0	0
John Amboian Jr Director	10	X						0	0	0
Sarah Baine Ex-Officio Director w/vote	10	X						0	0	0
Stephen W Baird Director	10	X						0	0	0
William L Bax Director	10	X						0	0	0
Peter B Bensinger Director	10	X						0	0	0
Andrew Berlin Director	10	X						0	0	0
Barbara L Bowles Director	10	X						0	0	0
Jill Brennan Director	10	X						0	0	0
David Bunning Director	10	X						0	0	0
Gregory C Case Director	10	X						0	0	0
John A Challenger Director	10	X						0	0	0
Alan Chapman Director	10	X						0	0	0
Mrs Charles F Clarke Jr Director	10	X						0	0	0
Kevin M Connelly Director	10	X						0	0	0
John D Cooney Director	10	X						0	0	0
John M Crocker Jr Vice-Chair & Director	10	X						0	0	0
Lester Crown Director	10	X						0	0	0
Paula H Crown Director	10	X						0	0	0
Leticia Peralta Davis Director	10	X						0	0	0
Susan DePree Director	10	X						0	0	0
James DeRose Director	10	X						0	0	0
William J Devers Jr Director	10	X						0	0	0
John Doerge Jr Director	10	X						0	0	0
James Donaldson MD Ex-Officio Director w/vote	10	X						0	513,368	147,901